

## Summary of ORA Testimony on Golden State Water Company 2016 General Rate Case

**Customer and Sales Forecasts:** ORA found that no single sales forecasting model or method was able to consistently predict sales accurately, and agrees with many of Golden State's sales forecasts and provided modifications where appropriate.

### Rate Design:

- **Bay Point and Los Osos Residential Customers:** Increase the price signal for water conservation through rate design by increasing the tier differential between tiers 2 and 3 from 15% to 20%.
- **Simi Valley and Santa Maria, Region 2 and Region 3 Residential Customers:**
  - Implement Golden State's proposed 4th tier rates for the top 5% of sales.
  - Increase affordability by setting differential at 10% between Tiers 1 and 2.
  - Retain 15% differential between Tiers 2 and 3 rates.
  - Encourage conservation in new 4th tier by adding a 20% differential between Tiers 3 and 4 rates.

**Low-Income Discounts:** Increase Golden State's discount from 15% to 20% for its rate assistance program, California Alternative Rates for Water. Visit the [Rate Assistance Program](#) for more information on how to apply.

**Conservation:** Continue ongoing conservation efforts to achieve the state's water conservation goals, and ORA finds that these goals can be achieved at lower costs. The CPUC should reduce Golden State's \$1 million per year program proposal by over \$300,000 and authorize Golden State to launch a \$20,000, 6-month pilot, including funds to inform customers about their water consumption.

**Labor and Pension & Benefits:** Remove the 1% annual merit increase and reduce salaries and bonuses for Golden State's executives and top managers, among other items.

**District Operating Expenses:** Remove lobbying and charitable contribution-type expenses, among other items.

**General Office Expenses & Plant Investment:** Reject GSWC's request for \$1 million to defeat eminent domain proceedings brought against it, among other things.

**Capital Budgets:** Approve only 51% of Golden State's requested capital budgets for 2015 through 2017. See the [Table](#) summarizing differences.

**Record-Keeping:** The CPUC should put Golden State on notice for providing multiple instances of inaccurate information during this rate case, which in the big picture demonstrates that Golden State needs to keep more accurate records, and provide more complete and precise information as the CPUC requires.

